RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The Redevelopment Agency of the City of Lafayette
3675 Mt. Diablo Blvd., Ste. 210
Lafayette, CA 94549
Attention: Executive Director

No fee for recording pursuant to
Government Code Section 27383

DEED OF TRUST WITH ASSIGNMENT OF RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING
(Predevelopment, Acquisition and Construction)

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND FIXTURE FILING ("Deed of Trust") is made as of December 9, 2008, by and among Eden Housing, Inc., a California nonprofit public benefit corporation ("Trustor"), North American Title Company, a California corporation, ("Trustee"), and The Redevelopment Agency of the City of Lafayette, a public body, corporate and politic ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property located in the City of Lafayette, County of Contra Costa, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all

deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by and proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING:

A. Payment of just indebtednesses of Trustor to Beneficiary as set forth in the Promissory Note (defined in Article 1 below) until paid or cancelled. Said principal and other payments shall be due and payable as provided in the Promissory Note. Said Promissory Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced; and

B. Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein; and

C. Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents (defined in Section 1.2 below).

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1:
DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1 The term " Loan Agreement" means that certain Loan Agreement between Trustor and Beneficiary, of even date herewith, providing for the Beneficiary to loan to the Trustor in the amount of up to Three Million Dollars ($3,000,000) for predevelopment, acquisition and construction costs incurred in connection with the development of senior housing on the Property.

Section 1.2 The term " Loan Documents" means this Deed of Trust, the Promissory Note, the Loan Agreement, Assignment of Plans, the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Property.

Section 1.3 The term " Note" means that certain promissory note in the amount of Three Million Two Dollars ($3,000,000) of even date herewith executed by the Trustor in favor of the Beneficiary, the payment of which is secured by this Deed of Trust.

Section 1.4 The term "Principal" means the aggregate of the amounts required to be paid under the Note.

Section 1.5 The term "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants by and between the Trustor and Beneficiary of even date herewith and recorded against the Property concurrently herewith.

ARTICLE 2:
MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment of the sum owed under the Note, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, alterations, replacements, improvements, and renewals on the Security. The Trustee shall not commit or permit waste on or to the Security, or commit, suffer, or permit any act or violation of law to occur on it. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary

shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of Contra Costa County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law. As to these exceptions, Beneficiary will grant and/or direct the Trustee to grant such easements.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to expiration of any applicable cure period following written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the sums secured by this Deed of Trust with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents which continues beyond any applicable cure period, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same becomes due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents upon expiration of any applicable cure period. Trustor agrees that commencing upon the expiration of any applicable cure period set forth in such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents which continues beyond any applicable notice and cure period, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust which continues beyond any applicable notice and cure period, Trustor hereby expressly consents to the appointment of such receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to the expiration of any applicable cure period set forth in the written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, reasonable attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become indebtedness of Trustor to Beneficiary secured by this Deed of Trust pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure indebtedness held by Beneficiary.

ARTICLE 3:
TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the lesser of ten percent (10%) per annum or maximum rate permitted by law, shall become an additional obligation of Trustor to the Beneficiary and shall be secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid and all other obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to the Beneficiary's receipt of the entire Principal and all amounts secured by this Deed of Trust.

Section 3.3 Advances.

In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Trustor, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become an additional obligation of the Trustor to the Beneficiary (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4:
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or in any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property ("Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary to the extent of the outstanding balance due on the Note. The Beneficiary is authorized and empowered (but not required) to collect and receive any funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. The Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section 4.1 are subject to the rights of any senior mortgage lender. Notwithstanding the provisions of this Section, the Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property provided that Beneficiary reasonably determines that Trustor has sufficient funds to rebuild (when taking into account the Funds).

ARTICLE 5:
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the t Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined below) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary; and any such amounts paid by the Beneficiary shall be added to the indebtedness secured by the lien of this Deed of Trust, and shall bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this t Deed of Trust shall constitute a security agreement under the California Commercial Code.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from time to time in order to protect the security interest established pursuant to this instrument.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants shall run with the land.

ARTICLE 6:
HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as are used in construction of the improvements on the Property or as may be customarily kept and used in and about residential property.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall indemnify and hold harmless Beneficiary and its councilmembers, supervisors, directors, officers, employees, agents, successors and assigns (other than purchasers at a foreclosure sale unless such Hazardous Materials Claims were caused by Trustor) from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release (but excluding any release or discharge by Beneficiary), discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees.

Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action,

provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of Hazardous Materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of Hazardous Materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or reasonably should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) reasonable attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the lesser of ten percent (10%) or the maximum rate permitted by law, until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

ARTICLE 7:
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following shall constitute Events of Default: (1) failure to make any payment to be paid by Trustor under the Loan Documents; (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning discrimination; or (3) failure to make any payment or perform any of Trustor's other covenants, agreements, or obligations under any other debt instruments or regulatory agreement secured by the Property; which default shall not be cured within the times and in the manner provided therein.

Section 7.2 Acceleration of Maturity.

If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and the unpaid Principal of the Note together with any accrued interest shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Default (as defined below) hereunder or invalidate any act done in response to such Default or pursuant to such Notice of Default and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Default and Election to Sell"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Contra Costa County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall give notice to the Trustee (the "Notice of Sale") and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the unpaid principal amount of the Note is immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

(a) Upon receipt of such notice from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Election to Sell as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and Election to Sell and after Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in said Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according

to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other amounts owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. No consent or waiver, expressed or implied, by the Beneficiary to or any breach by the Trustor in the performance of the obligations hereunder shall be deemed or construed to be a consent to or waiver of obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment of any sums secured hereby, (ii) takes other or additional security or the payment of any sums secured

hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (iv) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any sums owing under the Note or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

Section 7.11 Non-Recourse

Except as provided below, neither the Trustor nor any partner of the Trustor if Trustor is a partnership or a successor tax credit partnership authorized under the Loan Agreement, shall have any direct or indirect personal liability for payment of the principal of, or interest on, the Loan or the performance of the covenants of the Trustor hereunder or under the other Loan Documents. The sole recourse of the Beneficiary with respect to the principal of, or interest on, the Note and defaults by Trustor in the performance of its covenants under the Loan Documents shall be to the Security; provided, however, that nothing contained in the foregoing limitation of liability shall be deemed in any way to impair the right of the Beneficiary to assert the unpaid principal amount of the Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note and the performance of the Trustor's obligations under the Loan Documents, except as hereafter set forth; nothing contained

herein is intended to relieve the Trustor of its obligation to indemnify the Beneficiary under the Loan Agreement, or liability for (i) fraud or willful misrepresentation; (ii) the failure to pay taxes or assessments that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes and assessments; (iii) the fair market value of any personal property or fixtures removed or disposed of by Trustor other than in accordance with the Deed of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property.

ARTICLE 8:
MISCELLANEOUS

Section 8.1 Amendments.

This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all sums secured hereby have been paid or forgiven, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

The Redevelopment Agency of the City of Lafayette
3675 Mt. Diablo Blvd., Ste. 210
Lafayette, CA 94549
Attention: Executive Director

and (2) if intended for Trustor shall be addressed to:

Eden Housing, Inc.
22645 Grant Street
Hayward, California 94541-5031
Attention: Executive Director

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation is created herein binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage shall also refer to a Deed of Trust and any reference to a Deed of Trust shall also refer to a mortgage.

Section 8.10 Actions.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written

instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Tax Credit Provisions.

Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the property encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended, shall apply:

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the regulatory agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

Section 8.15 No Preference Interpretation.

This Deed of Trust is the product of mutual drafting by the parties and no interpretation shall be given which favors or disfavors the drafter.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

Eden Housing, Inc., a California nonprofit public benefit corporation

By:_____
Linda Mandolini
Executive Director

STATE OF CALIFORNIA)
) ss.
COUNTY OF CONTRA COSTA)

On _____, before me, the undersigned, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____

EXHIBIT A
(Legal Description)

The land is situated in the State of California, City of Lafayette, County of Contra Costa, and is described as follows:

EXHIBIT C
Form of Regulatory Agreement

RECORDING REQUESTED BY &
AFTER RECORDING, MAIL TO:

EXHIBIT C TO LOAN AGREEMENT

Redevelopment Agency of the
City of Lafayette
3675 Mt. Diablo Boulevard, Suite 200
Lafayette, CA 94549
Attention: Executive Director

No fee for recording pursuant to
Government Code Section 27383

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

(Mt. Diablo Boulevard, Lafayette)

This Agreement is entered into as of December 10, 2008, by and between the Redevelopment Agency of the City of Lafayette (the "Agency") and Eden Housing, Inc., a California nonprofit public benefit corporation (the "Owner"), in connection with the following facts:

A. The Agency has established an Affordable Housing Fund (the "Housing Fund") pursuant to Health and Safety Code Section 33334.2.

B. Pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., the "Redevelopment Law"), the City Council of the City of Lafayette (the "City") has adopted and the Agency is responsible for implementing the Redevelopment Plan for the Lafayette Redevelopment Project Area (the "Project Area"), adopted by the City by Ordinance No. 437 on December 27, 1994, as amended from time to.

C. The Owner is a nonprofit public benefit corporation organized for the purpose of providing affordable housing for very low to low and moderate income households.

D. The Owner intends to acquire that parcel of real property in the Project Area on Mt. Diablo Boulevard in Lafayette, more particularly described in Exhibit A, attached hereto and incorporated herein (the "Property") for the purpose of constructing, owning and operating forty-five (45) units of rental housing affordable to lower income senior households plus one resident manager's unit.

E. Pursuant to that Loan Agreement between the Agency and Owner dated as of December 9, 2008 (the "Loan Agreement"), the Agency made a predevelopment, acquisition and construction loan to the Owner with funds from the Agency's Housing Fund to assist in financing the Development (the "Agency Loan").

F. Pursuant to the terms of the Redevelopment Law, the Owner will, concurrently with its acquisition of the Property, record restrictions as specified in this Agreement on the Property, ensuring that the units in the Development, except for the resident manager's unit, are rented to households who qualify as "elderly" or senior" and twenty-two (22) units are rented to extremely low to lower income households under applicable federal, State or local law for a specified period.

Now, therefore, in consideration of the Agency Loan to Owner and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Definitions.

"AMI" means the area median income for Contra Costa County, California adjusted for family size appropriate for the Unit, by the State of California Department of Housing and Community Development in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, and California Health and Safety Code Section 50093.

"City" shall mean the City of Lafayette, California.

"Number of Restricted Units" or "NRU" shall mean twenty-two (22) of the Units in the Development.

"Qualified Household" shall mean a household composed of one (1) or more persons who is a Senior Citizen and also a Low Income Household who intends to reside in the Unit as his or her primary residence on a permanent basis and whose members that are not Senior Citizens, if any, are each a "Qualified Permanent Resident."

"Qualified Permanent Resident" shall have the meaning ascribed to the term in California Civil Code Section 51.3(b), sub-sections (2) and (3), as such code section may be amended, replaced or renumbered from time to time.

"Restricted Unit" or "Restricted Units" means a Unit or Units that are subject to the occupancy and rent restrictions set forth in this Regulatory Agreement.

"Senior Citizen" means a person sixty-two (62) years of age or older, or 55 years of age or older in a senior citizen housing development as defined by California Civil Code Section 51.3(b) subsection (4).

"Unit" means one residential one bedroom dwelling unit within the Development or one residential two bedroom unit within the Development.

"Very Low Income Household" means a person or family whose incomes do not

exceed the qualifying limits for very lower income families, as established and amended from time to time by HUD, pursuant to Section 8 of the United States Housing Act of 1937 or as otherwise determined by the California Department of Housing and Community Development, pursuant to California Health and Safety Code Section 50105.

2. Use of the Property. The Owner hereby covenants and agrees, for itself and its successors and assigns, that during construction and thereafter, the Owner shall not use the Property other than for the operation of a senior low-income rental housing project in compliance with all of the following:

A. Development. The Owner represents, warrants, and covenants , in accordance with the schedule for construction approved by the Agency, to construct and operate a senior housing rental development on the Property consisting of forty-five (45) senior units and one resident manager's unit (the "Development"). All the units, except for the resident manager unit(s), shall be rented to persons or families who qualify as "elderly" or "senior" households under applicable federal, State, or local law.

B. Rent and Income Restrictions. On completion of construction, the Owner covenants that the NRU shall be occupied or held available for occupancy by a Qualified Household on a continuous basis throughout the Term. The rent paid by tenants of the NRU shall not exceed one-twelfth ($1/12^{th}$) of thirty percent (30%) of fifty percent (50%) of AMI, adjusted for assumed household size. Adjustments for assumed household size shall be made in accordance with the applicable provisions of the Redevelopment Law and California Tax Credit Allocation Committee ("TCAC") guidelines.

(i) Rent shall be increased no more than once annually based upon income recertifications described in Section 3(a). Households shall be given at least sixty (60) days written notice prior to any rent increase.

(ii) Increased Income of Tenants.

(1) Non-Qualifying Household. If, upon recertification of the income of a tenant, the Owner determines that a former Very Low Income Household has an adjusted income exceeding the maximum qualifying income for a Very Low Income Household, such tenant shall be permitted to continue occupying the Unit and upon expiration of the tenant's lease and upon sixty (60) days written notice, either (i) the Rent shall be increased to the fair market rent, or (ii) with such longer notice as may be required by law, the Owner may elect not to renew the non-qualifying household's lease. The Owner shall rent the next available Unit to a Very Low Income Household to meet the requirements of Section 2.B above.

(2) Termination of Occupancy. Upon termination of occupancy of a Unit by a tenant, such Unit shall be deemed to be continuously occupied by a household of the same income level as the initial income level of the vacating tenant, until such Unit is reoccupied, at which time the income character of the Unit shall be redetermined to meet the occupancy requirements of Section 2.B.

C. Compliance with Regulatory Agreements. So long as the Property is encumbered by any regulatory agreement between the Owner and State or federal or State agency required by the financing for the Development and approved by the Agency, Owner's compliance with the terms of such regulatory agreement(s) shall be deemed to be in compliance with the occupancy, rent, and income restrictions set forth above.

3. Reporting Requirements. (a) The income status of each eligible household shall be determined by the Owner at the time of initial occupancy of a unit and recertified annually by the Owner using such forms and requiring such supporting information as reasonably required or approved by the Agency. Owner shall make a good faith effort to verify that the income stated by an applicant to rent a Restricted Unit is accurate, by taking any one or more, as necessary, of the following steps, as part of the income verification process:

(i) Obtain pay stubs for the applicant's two (2) most recent pay periods;
(ii) Obtain an income tax return for the applicant's most recent tax year;
(iii) Obtain an income verification form from the applicant's current employer;
(iv) Obtain an income verification form from the Social Security Administration and/or the California Department of Social Services, if the applicant receives assistance from either of these agencies; or
(v) If the applicant is unemployed and has no tax return, obtain another form of independent verification.

The Owner shall retain the original or copies of all certifications and recertifications and supporting information for not less than five (5) years. The Agency shall have the right to inspect and copy the Owner's records relating to the Development during business hours upon reasonable prior written notice.

(b) Annual reports shall be submitted to the Agency. The reports, at a minimum, shall include: (i) the number of persons per unit; (ii) initial occupancy date; (iii) monthly rent charged; and (iv) household income. Upon request by the Agency, the annual reports shall include the annual income recertification and those documents used to certify eligibility.

4. Management.

A. Owner, and the management agent (if not the Owner), shall operate the Development in a manner that will provide decent, safe and sanitary residential facilities to the occupants thereof, and will comply with all the provisions of this Regulatory Agreement and the Loan Agreement, and of any other applicable contract or agreement between Agency, the City and the Owner. The Agency shall have the right of reasonable review and approval of the initial management agent and every succeeding management agent. The Agency's approval may not be unreasonably withheld, delayed or conditioned, provided that Owner demonstrates to Agency that any proposed management agent possesses significant experience in the successful management of affordable residential projects materially similar to the Development.

B. Upon the request of the Agency, which request shall be in writing, the Owner shall cooperate with the Agency in the periodic review of the management practices and

financial status of the Development, but not more frequently than on a quarterly basis. The purpose of each periodic review will be to enable Agency to determine if the Units and the Development are being operated, maintained, and managed in accordance with the requirements and standards of this Regulatory Agreement and the Loan Agreement. Results of such review by the Agency shall be provided to Owner.

C. Any contract for the operation or management of the Development entered into by the Owner shall provide that the contract can be terminated upon thirty (30) days notice with cause. In the event that the Development is not being operated and managed in accordance with the requirements and standards of this Regulatory Agreement and the Loan Agreement, the Owner shall remove the management agent and replace the management agent with an agent approved by the Agency. The Owner's failure to remove the management agent shall constitute an Event of Default under this Regulatory Agreement and the Loan Agreement, and the Agency may enforce this provision through legal proceedings as specified herein.

5. Insurance Requirements.

A. Insurance. The Owner, to protect the Agency, the City and their governing board, commissions, agents, attorneys, officers, employees, volunteers, and representatives (collectively, "Additional Insureds") against any and all claims and liability for death, injury, loss and damage resulting from the Owner's actions in connection with this Regulatory Agreement, the Property and the Development, shall secure and maintain the insurance coverage, described in and required by this Section.

B. Liability and Permanent Insurance Requirements. The Owner shall maintain in full force and effect for the full term of this Regulatory Agreement, subject to the following insurance coverage:

(1) (i) Commercial General Liability Insurance coverage, including, but not limited to, Premises-Operations, Contractual Liability Insurance (specifically covering all indemnity obligations of the Owner pursuant to this Regulatory Agreement), Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Owner's operation of the Development. The commercial general liability insurance coverage shall have minimum limits for Bodily Injury and Property Damage liability of ONE MILLION DOLLARS ($1,000,000) each occurrence and TWO MILLION DOLLARS ($2,000,000) aggregate.

(ii) Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage covering all owned, leased, hired and non-owned vehicles used by the Owner with minimum limits for Bodily Injury and Property Damage of ONE MILLION DOLLARS ($1,000,000) each occurrence and TWO MILLION DOLLARS ($2,000,000) aggregate. Such insurance shall be provided by a business or commercial vehicle policy.

(iii) The Owner shall maintain Fire and Extended Coverage Insurance on the Development on a blanket basis or with an agreed amount clause in amounts not less than 100% of the replacement value of the Development.

(2) The Commercial General Liability Insurance required in sub-paragraph (1)(i) above shall include an endorsement naming the Additional Insureds as additional insured.

(3) If any of the insurance coverage is written on a claims-made basis, such insurance policy shall provide an extended reporting period continuing through the fifth (5th) anniversary of the expiration of the term of this Regulatory Agreement. The requirements of this sub-paragraph (3) shall survive any expiration or termination of this Regulatory Agreement.

(4) Receipt by the Agency of evidence of insurance that does not comply with the above requirements shall not constitute a waiver of the insurance requirements of this Regulatory Agreement.

(5) Subject to subparagraph (3) above, all of the insurance coverage required under this Section shall be maintained by the Owner until the expiration of the term of this Regulatory Agreement and shall not be reduced, modified, or canceled without, at least, thirty (30) days prior written notice to the Agency. Also, phrases such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any certificates of insurance or endorsement. The Owner shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits are exhausted, or upon insolvency of the insurer that issued the policy.

(6) All insurance to be obtained and maintained by the Owner under this Section shall be issued by a company or companies listed in the then current "Best's Key Rating Guide" publication with a minimum of an "A:VII" rating and be admitted to conduct business in the State of California by the State of California Department of Insurance.

(7) All insurance obtained and maintained by the Owner in satisfaction of the requirements of this Regulatory Agreement shall be primary to and not contributing to any insurance maintained by the Agency.

(8) The insurance coverage required by this Section shall not be construed to relieve the Owner of any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the Agency from taking such other actions as are available to it under any other provision of this Regulatory Agreement or otherwise at law.

(9) Failure by the Owner to maintain all insurance coverage required by this Section in effect shall be an Event of Default by the Owner. The Agency, at its sole option, may exercise any remedy available to it in connection with such an Event of Default. Alternatively, the Agency may, at its sole option, purchase any such required insurance coverage and the Agency shall be entitled to immediate payment from the Owner for any premiums and associated costs paid by the Agency for such insurance coverage. Any election by the Agency to purchase or not to purchase insurance otherwise required to be carried by the Owner shall not relieve the Owner of its obligation to obtain and maintain the insurance coverage required by this

Regulatory Agreement.

C. Adjustment in Levels of Insurance Coverage. The Agency and the Owner acknowledge that the insurance limits set forth in this Section were established based upon reasonable and customary limits for such policies as of the execution of this Regulatory Agreement. Upon written request from the Agency, Owner shall increase the limits on any policies required by this Regulatory Agreement to such amounts as may be necessary, as reasonably determined by the Agency, to provide that the then-current limits of the policies provide equivalent or better protection as the current limits set forth above, taking into account factors such as inflation, legal/legislative developments, and the like. Agency may require an increase in such limits as described in this Section no more often than once per calendar year.

D. Greater Coverage. If any other agreement concerning the Property or the Development requires insurance in amounts in excess of the amount set forth in this Section, the requirements of insurance coverage to be maintained on the Development hereunder shall be deemed satisfied by provision of such greater amounts of insurance, provided that all such insurance policies comply with all other provisions of this Section.

6. Additional Information. The Owner shall provide any additional information reasonably requested by the Agency. The Agency shall have the right to examine and make copies of all books, records or other documents of the Owner which pertain to the Development.

7. Records. The Owner shall maintain complete, accurate and current records pertaining to the Development, and shall permit any duly authorized representative of the Agency to inspect records, including records pertaining to income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Development shall at all times be kept separate and identifiable from any other business of the Owner and shall be maintained as required by the Agency in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Agency. The Owner shall retain copies of all materials obtained or produced with respect to occupancy of the Units for a period of at least five (5) years.

8. On-site Inspection. The Agency shall have the right, following not less than twenty-four (24) hours prior written notice, to perform an on-site inspection of the Development at least one time per year. The Owner agrees to cooperate in such inspection. Inspections of the interior of individual units shall require not less than seventy-two (72) hours prior written notice.

9. Duration. (a) The covenants contained in this Agreement shall commence from the date this Agreement is recorded and remain in effect for period of fifty-five (55) years from the date the final certificate of occupancy is issued following the initial construction of the Development. The provisions of this Agreement shall apply to the Property for the entire Term even if the entire Agency Loan is paid in full prior to the end of the Term. This Agreement shall bind any successor, heir or assign of the Owner, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the Agency. The Agency makes the Agency Loan on the condition, and in consideration of, this provision, and would not do so otherwise.

(b) Upon the termination of the terms of this Agreement, the parties agree to execute and record appropriate instruments to release and discharge the terms of this Agreement; provided, however, that the execution and recording of such instruments shall not be necessary or a prerequisite to the termination of this Agreement in accordance with its terms.

10. Section 8 Certificate Holders. The Owner will accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. The Owner shall not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective Tenants, nor shall the Owner apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Tenants.

11. Property Repair and Maintenance Covenant. Throughout the term of this Agreement, Owner agrees to maintain the Development in good physical condition and in accordance with the standards prescribed by applicable codes. The Owner further agrees to maintain the Development in a condition free of all waste, nuisance, debris, unmaintained vegetation and/or landscaping, graffiti, disrepair, abandoned vehicles/appliances, disturbances, and illegal activity, and shall take all reasonable steps to prevent the same from occurring at the Development. Upon breach by the Owner of the covenant set forth in this Section, and the failure to cure such default within forty-five (45) days (or such longer period as the Agency may approve in its sole discretion) following written notice to Owner, the Agency, its agents, employees and contractors shall have the right to enter upon the Property to take such actions as are necessary to cure such default on Owner's behalf. Owner shall, within forty-five (45) days following Agency's written demand therefore, reimburse Agency for all internal and third party costs and expenses incurred by the Agency with respect to such cure. The maintenance covenant of this Section shall remain in effect for the duration of the term of this Regulatory Agreement.

12. No Transfer. The Owner shall not sell, transfer, convey, assign or lease the whole or any part of the Property without the prior approval of the Agency. Owner shall request Agency's approval by written notice at least thirty (30) days prior to any proposed transfer. This prohibition against transfer and requirement for Agency's approval shall not: (i) prevent the granting of easements or permits to facilitate the development of the Property, or (ii) prohibit or restrict the leasing of units within the Development, or (iii) apply to the following: (A) a transfer or assignment by Owner to a wholly-controlled affiliate of Eden Housing, Inc. or to a limited partnership whose general partner is a wholly-controlled affiliate of Eden Housing, Inc., (B) the admission of limited partners and any transfer of limited partnership interests in accordance with the Owner's partnership agreement for tax credit financing; (C) a transfer to the general partner of Owner in accordance with a right of first refusal or option contained in Owner's partnership agreement; (D) a transfer of the general partner's interest in Owner to a wholly-controlled affiliate of Eden Housing, Inc.; or (D) the removal of Owner's general partner by the investor limited partner for a default under the partnership agreement, provided the replacement general partner is reasonably satisfactory to the Agency.

13. Covenants to Run with the Land. (a) Owner hereby subjects the Property to the covenants and restrictions set forth in this Agreement. The Agency and Owner hereby declare

their express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner upon conveyance of the Property to the Owner and upon Owner's successors in title to the Property. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants and restrictions are set forth in such contract, deed or other instrument. Upon conveyance of the Property, the Owner or the successors in interest to Owner shall be released from any further obligations hereunder, and the covenants and restrictions set forth herein shall pass to and be binding upon the Owner's successors in interest to the Property.

(b) Notwithstanding any provision in this Agreement to the contrary, this Agreement shall terminate and be of no further force and effect in the event of (i) a foreclosure by the holder of a deed of trust or delivery of a deed in lieu of foreclosure, which prevents the Agency from enforcing the provisions hereof, or (ii) involuntary non-compliance with the provisions of this Agreement caused by an involuntary loss or substantial damage to the Development as a result of unforeseen events, including fire, seizure, change in a federal or state law or an action of a federal or state agency after the date hereof which prevents the Agency from enforcing the provisions hereof, or condemnation or similar actions; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or a similar event, the Owner or party related to the Owner obtains an ownership interest in the Development.

14. Non-Discrimination. The Owner, for itself and its successors and assigns, agrees that the Owner will not discriminate against any employee or applicant for employment because of sex, sexual orientation, marital status, familial status, race, color, religion, creed, disability, national origin, or ancestry, and that the Owner will comply with all applicable local, state and federal fair employment laws and regulations. The Owner covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, disability, sex, sexual orientation, marital status, familial status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Development, nor shall the Owner or any person claiming under or through the Owner establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Development. The foregoing covenants shall run with the land and shall remain in effect in perpetuity.

15. Mandatory Language in All Subsequent Deeds, Leases and Contracts. All deeds, leases or contracts made or entered into by the Owner, its successors or assigns, as to any portion of the Development shall contain therein the following language:

In Deeds:

"(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis

listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed, nor shall the grantee or any person claiming under or through the grantee, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

In Leases:

"(1) Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

In Contracts:

"(1) There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of

Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

16. Compliance with Loan Agreement and Program Requirements. Owner's actions with respect to the Property shall at all times be in full conformity with: (i) all requirements of the Loan Agreement; and (ii) the Redevelopment Law.

17. An Event of Default. Each of the following shall constitute an "Event of Default" by the Owner of this Regulatory Agreement and the Loan Agreement:

(a) Failure by the Owner to duly perform, comply with and observe any of the conditions, terms, or covenants of this Regulatory Agreement, if such failure remains uncured thirty (30) days after written notice of such failure from Agency to the Owner in the manner provided herein or, with respect to a default that cannot be cured within thirty (30) days, if the Owner fails to cure such breach within ninety (90) days or such longer period as the Agency may approve in its sole discretion. However, if a different period or notice requirement is specified under any other section of this Regulatory Agreement, then the specific provision shall control.

(b) Any representation or warranty contained in this Regulatory Agreement or in any application, financial statement, certificate, or report submitted by Owner to the Agency or Agency proves to have been incorrect in any material respect when made.

(c) A court having jurisdiction shall have made or rendered a decree or order (i) adjudging Owner to be bankrupt or insolvent; (ii) approving as properly filed a petition seeking reorganization of Owner or seeking any arrangement on behalf of the Owner under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or of any state or other jurisdiction; (iii) appointing a receiver, trustee, liquidator, or assignee of the Owner in bankruptcy or insolvency or for any of its properties; or (iv) directing the winding up or liquidation of the Owner, providing, however, that any such decree or order described in any of the foregoing subsections shall have continued unstayed or undischarged for a period of ninety (90) days.

(d) The Owner shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment or execution on any substantial part of its property, unless the property so assigned, sequestered, attached, or executed upon shall have been returned or released within ninety (90) days after such event (unless a lesser time period is for cure hereunder) or prior to sale pursuant to such sequestration, attachment, or execution. If the Owner is diligently working to obtain a return or release of the property and Agency's interests hereunder are not imminently threatened in its reasonable business judgment, then The Agency shall not declare a default under this subsection.

(e) The Owner shall have voluntarily suspended its business or dissolved. The condemnation, seizure, or appropriation of all or, in the opinion of the Agency, a substantial part of the Development, except for condemnation initiated by the City or the Agency.

18. Enforcement by the Agency. Upon the occurrence of an Event of Default, the Agency shall have the right to enforce this Agreement by any or all of the following actions, or any other remedy provided by law:

(a) Calling the Agency Loan. The Agency may declare a default under the Agency Note, accelerate the indebtedness evidenced by the Agency Note, and proceed with foreclosure under the Agency Deed of Trust.

(b) Action to Compel Performance or for Damages. The Agency may bring an action at law or in equity to compel the Owner's performance of its obligations under this Agreement, and/or for damages.

(c) Remedies Provided Under Loan Agreement. The Agency may exercise any other remedy provided under the Loan Agreement.

19. Subordination. This Agreement shall be subordinated to financing approved by the Agency (in each case, a "Senior Lien"), but only if all of the following conditions are satisfied:

(a) All of the proceeds of the proposed Senior Lien, less any transaction costs, shall be used to provide acquisition, construction and/or permanent financing or refinancing for the Development.

(b) The proposed lender (each, a "Senior Lender") must be a state or federally chartered financial institution, a nonprofit corporation, a recognized affordable housing lending group such as the Housing Partnership Fund, or a public entity that is not affiliated with Owner or any of Owner's affiliates, other than as a depositor or a lender.

(c) Owner shall demonstrate to the Agency's reasonable satisfaction that subordination of this Agreement is necessary to secure adequate acquisition, construction, permanent financing and/or refinancing to ensure the viability of the Development, including the operation of the Development as affordable housing for lower income senior households. To satisfy this requirement, Owner will provide to the Agency, in addition to any other information reasonably required by the Agency, evidence demonstrating that the proposed amount of the

Senior Loan is necessary to provide adequate acquisition, construction, permanent financing or refinancing to ensure the viability of the Development, and adequate financing for the Development would not be available on similar terms without the proposed subordination.

(d) The subordination agreement(s) shall be in a form reasonably acceptable to Agency Counsel and shall be structured to minimize the risk that this Agreement would be extinguished as a result of a foreclosure by the Senior Lender or other holder of the Senior Lien. To satisfy this requirement, the subordination agreement should provide the Agency with rights to cure any defaults by Owner, including: (i) providing the Agency or its successor with copies of any notices of default at or near the same time and in the same manner as provided to Owner; and (ii) providing the Agency with a cure period of at least sixty (60) days to cure any default.

(e) The subordination(s) described in this section may be effective only during the original term of the Senior Loan and any extension of its term approved in writing by the Agency, provided, however, that nothing in this subsection (e) shall prohibit the Agency from approving the refinancing of a Senior Loan.

(f) No subordination may limit the effect of the Regulatory Agreement before a foreclosure, nor require consent of the holder of the Senior Loan to exercise any remedies by the Agency under the Regulatory Agreement, unless HUD is the holder of the Senior Loan, in which case the HUD required rider shall prevail.

(g) Upon a determination by the Agency Executive Director that the conditions in this Section have been satisfied, the Agency Executive Director or his/her designee will be authorized to execute the approved subordination agreement without the necessity of any further action or approval.

In addition, any agreement to subordinate shall comply with the requirements of health and Safety Code section 33334.14.

20. No Impairment of Lien. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument.

21. Amendments. This Agreement may be changed only by an agreement in writing and signed by both parties.

22. Governing Law. This Agreement shall be construed according to the laws of the State of California. This Agreement is made for the benefit of the Agency and Owner, and no other person shall be deemed to have a right of action of any kind under this Agreement.

23. Headings; Construction. The headings to the various sections and paragraphs of this Agreement have been inserted for convenient reference only and shall not be used to construe this Agreement. The language of this Agreement will be construed as a whole according to its fair meaning and not strictly for or against any party. Time is of the essence in the performance of this Agreement by the parties.

24. Notices. Any notice required by or given pursuant to this Agreement shall be made in writing and shall be served personally or sent by certified mail, return receipt requested, or faxed or emailed with the original mailed by USPS on the next business day:

If to the Agency, addressed to:

Redevelopment Agency of the City of Lafayette
3675 Mt. Diablo Boulevard, Suite 200
Lafayette, CA 94549
Attention: Executive Director
Fax No: (925) 284-3169

If to the Owner, addressed to:

Eden Housing, Inc.
22645 Grand Street
Hayward, CA 94541-5031
Attention: Executive Director
Fax No. (510) 582-6523

Any notice given in accordance with the provisions of this Section shall be deemed to be effective, if delivered, on the date of such delivery or, if mailed, three (3) days after the date of the postmark, or if faxed and mailed via the USPS, on the date faxed, or if a pdf copy emailed and mailed via the USPS, on the date emailed. Each party may give notice to the other party of a change of its address for the purpose of giving notice under this Section.

25. Investor Limited Partner Provisions. If and when the Owner transfers the Property and assigns the Agency Loan to a limited partnership in accordance with Section 12 to qualify for low income housing tax credit financing, the Agency agrees to the following provisions for the benefit of Owner's investor limited partner:

(a) The Agency will give the limited partner a copy of any written notice (at the limited partner's address set forth in this Agreement) that the Agency gives to Owner under this Agreement and the other Agency Loan documents;

(b) The Agency will give the limited partner ten (10) days after the limited partner's receipt of such notice to cure a non-payment of any sum due under the Agency Loan documents;

(c) The Agency will give the limited partner thirty (30) days after the limited partner's receipt of such notice to cure any other default under this Agreement and other Agency Loan documents;

(d) If a default is incapable of being cured within thirty days, the Agency will give the limited partner an additional ninety (90) days to cure such default provided the

limited partner has commenced to cure such default and is diligently proceeding to cure such default through the end of such period;

(e) If the limited partner makes any such payment or otherwise cures such default, the Agency will accept such action as curing such default as if such payment or cure were made by Owner;

(f) The Agency will permit the limited partner to transfer the limited partner's interest to any person or entity at any time provided that, if at the time of such transfer the limited partner has not made 100% of the capital contributions the limited partner is required to make to Owner, the limited partner shall remain liable to Owner for such capital contributions;

(g) The Agency will permit the limited partner to remove the general partner of Owner in accordance with the Owner's partnership agreement, provided that the substitute general partner is reasonably acceptable to Agency; and

(h) The Agency will permit insurance and condemnation proceeds to be used to rebuild the Development provided that (i) sufficient funds are provided from other sources to effectively rebuild the Development to a lawful multifamily housing complex, and (ii) subject to the rights of any senior lenders, Agency shall hold all such proceeds and disburse them based on the progress of construction, subject to such additional reasonable conditions as Agency may impose.

26. HUD Requirements. If Owner receives a Reservation for a Section 202 Capital Grant from HUD, the Agency agrees to amend this Agreement to incorporate HUD mandated provisions prior to the HUD closing or recording of the HUD Use Agreement and HUD Regulatory Agreement.

27. Relationship of Parties. Nothing contained in this Regulatory Agreement shall be interpreted or understood by any of the parties, or by any third persons, as creating the relationship of employer and employee, principal and agent limited or general partnership, or joint venture between Agency and the Owner or the Owner's agents, employees or contractors, and the Owner shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Regulatory Agreement for the operation of the Development. Except as otherwise expressly provided in this Regulatory Agreement, the Owner has and hereby retains the right to exercise full control of employment direction, compensation and discharge of all persons assisting in the performance of services hereunder. In regards to the on-site operation of the Development, the Owner shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding and all other laws and regulations governing such matters. The Owner agrees to be solely responsible for its own acts and those of its agents and employees.

28. Non-Liability of Officials, Employees, and Agents. No member, official, employee, or agent of the Agency shall be personally liable to the Owner in the event of any default or breach by Agency or for any amount which may become due to the Owner or successor

or on any obligation under the terms of this Regulatory Agreement. No director, officer, employee, agent of the Owner, or limited partner if Owner is a limited partnership, shall be personally liable to the Agency in the event of any default or breach by the Owner or for any amount which may become due to the Agency or successor or on any obligation under the terms of this Regulatory Agreement.

29. Hold Harmless. Except as such claims may arise from gross negligence or willful misconduct by Agency, if any person or entity performing work for the Owner on the Development shall assert any claim against the Agency, and the City and their elected officials, volunteers, employees, officers, attorneys and contractors (collectively, "Indemnified Parties"), Agency on account of any damage alleged to have been caused by reason of the negligent or willful acts of the Owner, the Owner shall defend at its own expense any suit based upon such claim; and if any judgment or claims against the Indemnified Parties, Agency or City shall be allowed, the Owner shall pay or satisfy such judgment or claim and pay all costs and expenses in connection therewith. Nothing herein stated shall be interpreted as a prohibition against the Owner seeking indemnification (either contractually or as a matter of law) from any third person or entity other than the Indemnified Parties.

In addition, the Owner shall defend the Indemnified Parties (with counsel reasonably satisfactory to Agency) against any claims or litigation of any nature whatsoever brought by third parties and directly or indirectly arising from the Owner's performance of its obligations under this Regulatory Agreement, and, in the event of settlement, compromise or judgment, hold the Indemnified Parties free and harmless therefrom.

30. Rights and Remedies Cumulative. Except as otherwise expressly stated in this Regulatory Agreement, the rights and remedies of the Parties are cumulative, and the exercise or failure to exercise one or more of such rights or remedies by either Party shall not preclude the exercise by it, at the same time or different times, of any right or remedy for the same default or any other default by the other party. No waiver of any default or breach by the Owner hereunder shall be implied from any omission by Agency to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver, and such wavier shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by Agency to or of any act by the Owner requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act. The exercise of any right, power, or remedy shall in no event constitute a cure or a waiver of any default under this Regulatory Agreement, nor shall it invalidate any act done pursuant to notice of default, or prejudice Agency in the exercise of any right, power, or remedy hereunder or under any agreements ancillary or related hereto.

31. Severability. If any term, provision, covenant or condition of this Regulatory Agreement is held in a final disposition by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

32. Binding Upon Successors. This Regulatory Agreement shall be binding upon the permitted heirs, administrators, executors, successors in interest and assigns of each of the Parties. Any reference in this Regulatory Agreement to a specifically named party shall be deemed to apply to any successor, heir, administrator, executor or assign of such party who has acquired an interest in compliance with the terms hereof or under law.

33. Time of the Essence. As to all obligations under this Regulatory Agreement as to which time is a component, time is of the essence.

34. Complete Understanding of the Parties. This Regulatory Agreement may be executed in multiple originals, each of which shall be deemed to be an original. This Regulatory Agreement, the Agreement and their attached Exhibits constitute the entire understanding and agreement of the parties with respect to the matters herein discussed, except as otherwise expressly set forth herein.

35. Agreement to Record. Owner agrees that this Regulatory Agreement shall be recorded in the real property records of Contra Costa County, California concurrently with the close of escrow for the Property.

IN WITNESS WHEREOF, the Agency and Owner have caused this Agreement to be executed on their behalf by their respective officers duly authorized, on the date first written above.

Eden Housing, Inc., a California nonprofit public benefit corporation

By: _____
Linda Mandolini
Executive Director

Redevelopment Agency of the City of Lafayette, a public body, corporate and politic

Approved as to Form:

By: _____
Its: Executive Director

_____
Agency Counsel

EXHIBIT D

Approved Development Budget

Lafayette
Senior Housing

LAFAYETTE SENIOR- Lemo	SITE DATA							
Lafeyette, CA	8000	site work						
HUD 202 Mixed Financing --	28,950	Unit Area			34,848	Site Sq. Ft.		
CONCEPTUAL DEVELOPME	12,000	Common Area			0.80	Total Acres		
	0	Nonbasis Square Footage (Child Care)			58	D.U./Acre		
5-Nov-08	0.00%	Nonbasis %	100.00%	Basis %	46	D.U. (actual)		

FUNDING SOURCES	**Per Unit**	**TOTAL**	**Assumptions**	**Acq./Predev.**	**Construction**	**Permanent**	**% of Total**	**TERMS**
Contra Costa County CDBG	30,435	**1,400,000**		1,400,000	0		6.40%	
Predevelopment Loan - LOC or Opp. Fund				370,478	(370,478)			1.5 yr 5.0% Prime +1%
HUD Capital Advance	145,750	**6,735,982**		0	0	6,735,982	30.80%	
Lafayette Contribution	65,217	**3,000,000**		3,000,000	0	0	13.72%	
Construction Financing	0	**0**	5.0000%	0	11,867,910	(11,867,910)	0.00%	Construction Loan @ 5.00% int 15 Months
Other Contribution Source (AHP)	7,500	**345,000**	18 Months	0	345,000	0	1.58%	None
LIH Tax Credit-LP (4% Credit)	138,905	**6,389,624**	3.38%	0	0	6,389,624	29.22%	Tax Credit Limited Partner Capital Contribution
LIH Tax Credit-GP Contribution	8,696	**400,000**	.878 cents	0	0	400,000	1.83%	Tax Credit General Partner Capital Contribution
HCD Infill	41,304	**1,900,000**		0	1,900,000		3.00%	residual receipts N/A
green building grant (Enterprise & HD)		**100,000**				100,000		
Contra Costa County HOME	34,783	**1,600,000**			1,600,000	0		
TOTAL SOURCES	**437,807**	**21,870,606**		**4,770,478**	**15,342,431**	**1,757,696**	**86.54%**	
Surplus/(Deficit)		30		0	0	30		

DEVELOPMENT BUDGET											
LAND & IMPROVEMENTS:		**TOTAL**	**Assumptions**	**Acq./Predev.**	**Construction**	**Permanent**	**TOTAL COST**	**Tax Credit Basis**	**Cost/Unit**	**Cost/SqFt**	**% Total**
Site Acquisition	22%	3,600,000	1,495,000	3,600,000	0	0	3,600,000	0	78,261	87.91	16.46%
Permanent Relocation				0	0	0	0	0	0	0.00	0.00%
Demolition and abatement		50,000		0	50,000	0	50,000	0	1,087	1.22	0.23%
Environmental Remediation		0	0.00	0	0	0	0	0	0	0.00	0.00%
Site Maintenance (i.e. Security, Clean-Up)		100,000		0	100,000	0	100,000	100,000	2,174	2.44	0.46%
Site Value Beyond Cost		0		0	0	0	0	0	0	0.00	0.00%
Total Land & Improv		**3,750,000**		**3,600,000**	**150,000**	**0**	**3,750,000**	**100,000**	**81,522**	**91.58**	**17.15%**
CONSTRUCTION CONSULTANTS:											
Architect & Engineering		926,713	7.50%	695,034	231,678	0	926,713	926,713	20,146	22.63	4.24%
Construction Estimating/Management Services		75,000		25,687	49,313	0	75,000	75,000	1,630	1.83	0.34%
Engineering Reports- survey		15,000		8,000	7,000	0	15,000	15,000	326	0.37	0.07%
Joint Trench Design		20,000		20,000	0	0	20,000	20,000	435	0.49	0.09%
Environmental Reports		30,000		30,000	0	0	30,000	30,000	652	0.73	0.14%
Testing & Inspection		100,000		0	100,000	0	100,000	100,000	2,174	2.44	0.46%
Total Constr Consult		**1,166,713**		**778,721**	**387,991**	**0**	**1,166,713**	**1,166,713**	**25,363**	**28.49**	**5.33%**
CONSTRUCTION:											
Podium parking and streetscape		1,500,000	$100.00	0	1,500,000	0	1,500,000	1,500,000	32,609	36.63	6.86%
Site work		240,000	$30.00	0	240,000	0	240,000	240,000	5,217	5.86	1.10%
Joint trench		150,000		0	150,000	0	150,000	150,000	3,261	3.66	0.69%
General Contract (all in)		8,599,500	$210.00	0	8,599,500	0	8,599,500	8,599,500	186,946	210.00	39.32%
Furniture, Fixtures & Equipment (common area)		80,000	allowance	0	80,000	0	80,000	80,000	1,739	1.95	0.37%
Pricing Escalation, Design & Estimating Contingency		1,048,950	10%	0	1,048,950	0	1,048,950	1,048,950	22,803	25.62	4.80%
Construction Contingency		516,975	5.00%	0	516,975	0	516,975	516,975	11,239	12.62	2.36%
Total Constr		**12,135,425**		**0**	**12,135,425**	**0**	**12,135,425**	**12,135,425**	**263,814**	**296.35**	**55%**
INDIRECT COSTS:											
Permits & Fees		1,150,000	25,000	150,000	1,000,000	0	1,150,000	1,150,000	25,000	28.08	5.26%
Legal Fees		50,000		10,000	35,000	5,000	50,000	35,000	1,087	1.22	0.23%
Audit Fees		22,000		0	0	22,000	22,000	0	478	0.54	0.10%
Developer Fee		1,400,000	1,000,000	25,000	250,000	1,125,000	1,400,000	1,400,000	30,435	34.19	6.40%
Initial Land Appraisal		10,000		10,000	0	0	10,000	0	217	0.24	0.05%
Market Study		25,000		25,000	0	0	25,000	25,000	543	0.61	0.11%
consultants studies: arborist, acoustical, lead, asbestos		60,000		60,000	0	0	60,000	60,000	1,304	1.47	0.27%
Consultant Allowance - Prevailing Wage		25,000			25,000	0	25,000	25,000	543	0.61	0.11%
Services Reserve		0		0	0	0	0	0	0	0.00	0.00%
Leasing and Other Reserves:											
Rent/Up Marketing		36,800	800	0	36,800	0	36,800	36,800	800	0.90	0.17%
Marketing & Bond Reserves		0		0	0		0	0	0	0.00	0.00%
Initial Project Operating Reserve		181,546	3 mo op. expenses	0		181,546	181,546	0	3,947	4.43	0.83%
Partnership Mgmt Fee Reserve		$321,232		0	0	321,232	321,232				
Investor Mgmt Fee Reserve		52,500		0	0	52,500	52,500				
Issuer Fee Reserve, if appl.		45,000				45,000	45,000				
Soft Cost Contingency		100,203	2%	5,037	95,166	0	100,203	100,203	2,178	2.45	0.46%
Total Indirect Costs		**3,479,281**		**285,037**	**1,441,966**	**1,752,278**	**3,479,281**	**2,832,003**	**75,637**	**74.74**	**13.99%**
FINANCE & CARRYING COSTS:											
Liability/COC Insurance		125,000		2,000	123,000	0	125,000	125,000	2,717	3.05	0.57%
Taxes		90,000	2 years	45,000	45,000	0	90,000	90,000	1,957	2.20	0.41%
Predevelopment Interest		13,893		13,893	0	0	13,893	13,893	302	0.34	0.06%
Construction Loan Points		59,340	0.50%		59,340	0	59,340	59,340	1,290	1.45	0.27%
Costs of Issuance		142,415	1.20%	0	142,415	0	142,415	0	3,096	3.48	0.65%
Title, Escrow & Other Financing Fees		50,000		10,000	30,000	10,000	50,000	30,000	1,087	1.22	0.23%
Lender-Appraisal, Legal & Consulting		60,000		0	60,000	0	60,000	60,000	1,304	1.47	0.27%
Construction Loan Interest		692,295	60.0% AOB	0	692,295	0	692,295	445,047	15,050	16.91	3.17%
Total Fin & Carry Costs		**1,232,942**		**70,893**	**1,152,049**	**10,000**	**1,232,942**	**823,279**	**26,803**	**30.11**	**5.64%**
TAX CREDITS/SYNDICATION EXPENSES:											
Tax Credit Expenses:											
TCAC Application Fee		2,000		2,000	0	0	2,000	0	43	0.05	0.01%
TCAC Reservation Fee		5,765	1%	5,765	0	0	5,765	0	125	0.14	0.03%
TCAC Performance Deposit		23,062	4%	23,062	0	0	23,062	0	501	0.56	0.11%
TCAC Monitoring Fee		18,450	410	0	0	18,450	18,450	0	401	0.45	0.08%
TCAC Deposit Refund		(23,062)		0	0	(23,062)	(23,062)	0	(501)	(0.56)	(0.00)
Syndication Consultant		40,000		5,000	35,000	0	40,000	0	870	0.98	0.18%
Syndication Legal Fees		40,000			40,000		40,000	0	870	0.98	0.18%
Total TCAC/Synd		**106,215**		**35,827**	**75,000**	**(4,612)**	**106,215**	**0**	**2,309**	**2.59**	**0.49%**
TOTAL DEVELOPMENT EXPENSES		**21,870,576**		**4,770,478**	**15,342,431**	**1,757,666**	**21,870,576**	**17,057,420**	**475,447**	**523.85**	**98.09%**

Eden Housing, Inc.
409 Jackson Street
Hayward, CA 94544
(510) 582-1460

EXHIBIT D

EXHIBIT E
Development Schedule

Lafayette Senior Housing

The dates set forth below are preliminary and subject to change. Each action is conditioned upon all prior actions being met or approved, as applicable, within the estimated timeframe.

Action	Date or Target Timeframe
1. Predevelopment activities started by Developer.	started
2. Developer submitted development concept to City for review.	completed
3. City approves predevelopment and acquisition loan request.	completed
4. Developer and property owner execute Purchase Agreement.	completed
5. Developer submits preliminary development proposal to City for review. Plan	completed
6. Community Meeting #1 – Introduce Development Team and present Proposed Site	completed
7. Developer acquires title to the Property with Agency Loan Proceeds and other financing.	Not later than the expiration of purchase agreement.
8. Community Meeting #2 – Review Proposed Site Plan	completed
9. Developer submits application for entitlements	completed
10A. Complete Predevelopment Tasks: Acquisition Deposits/Appraisal Financial Consulting/Architectural Construction Cost Estimating/City Planning Fees Survey/Hydrology & Drainage/Soils Report/Noise & Vibration Study/Environmental (Phase I, II, etc.) Reports. 10B. Complete Predevelopment Tasks: Financial Consulting/Architectural Construction Cost Estimating/City Planning Fees	completed Not later than construction loan closing.
11. Consideration of Land Use Permit Approval,	Not later than #7

Zoning Concessions or General Plan Amendment by Planning Commission and then City Council, if needed.	
12. Developer submits application to HUD for grant under Section 202 Housing for the Elderly.	Developer has applied for HUD 202 funds in response to the 2008 NOFA; however, if the project is not selected, Developer shall submit an application under the 2009 NOFA.
13.* HUD 202 awards announced.	Approximately 5 months following applications.
14.* HUD Firm Commitment Application	After receipt of HUD award and after project is permit-ready.
15.* Developer submits application for bond financing through California Debt Limit Allocation Committee (CDLAC).	After receipt of HUD Firm Commitment.
16.* Developer submits 4% Tax Credit Application to State Tax Credit Allocation Committee (TCAC)	Immediately following CDLAC Application.
17.* Construction loan closing date and commencement of construction of project.	Within 90 days of the allocation of CDLAC bonds, as applicable.
18*. Completion of construction of project.	Within 24 months of commencement of construction, or within deadlines established by funding source used, HUD, TCAC and/or CDLAC.
19.* 100% occupancy.	Within 6 months of completion of construction.

*** ALTERNATIVE 9% TAX CREDIT FINANCING (starting with #13)**

13. Developer submits 9% Tax Credit Application to State Tax Credit Allocation Committee (TCAC)	Developer shall have the right and option to submit a 9% tax credit application to CTCAC for two full years, beginning with the first round in the Spring of 2009 and, if not selected, each subsequent round until the second round in the Fall of 2010.

14. Construction loan closing date and commencement of construction of project.	Within 150 days of the awarding of 9% tax credit preliminary reservation.
15. Completion of construction of project.	Within 24 months of commencement of construction, or within deadlines established by TCAC.
16. 100% occupancy.	Within 6 months of completion of construction.

EXHIBIT F
Insurance Requirements

The Developer shall maintain and keep in force, at the Developer's sole cost and expense, the following insurance applicable to the Development in a form acceptable to the Agency's Executive Director with evidence of such coverage provided to the Agency's Executive Director within ten (10) days of execution of this Agreement, but in no event later than the initial disbursement of Predevelopment Loan funds pursuant to this Agreement:

(a) Workers' Compensation insurance to the extent required by law, including Employer's Liability coverage, with limits not less than One Million Dollars ($1,000,000) each accident.

(b) Commercial General Liability insurance with limits not less than Two Million Dollars ($2,000,000) each occurrence for Bodily Injury and Property Damage, including coverage for Contractual Liability, Personal Injury, Broadform Property Damage, and Products and Completed Operations.

(c) Comprehensive Automobile Liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverage for owned, non-owned and hired vehicles, as applicable; provided, however, that if the Developer does not own or lease vehicles for purposes of this Agreement, then no automobile insurance shall be required.

(d) Upon acquisition of the Property, property insurance, including during the course of construction builder's risk insurance, covering the Development, in form appropriate for the nature of such property, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value, with deductible, if any, acceptable to the Agency, naming the Agency as a Loss Payee, as its interests may appear. Flood insurance shall be obtained if required by applicable federal regulations.

(e) For any design professionals working on the Development, errors and omission coverage in a minimum amount of One Million Dollars ($1,000,000).

(f) The Developer shall cause any general contractor or subcontractor working on the Development under direct contract with the Developer or subcontract, to maintain insurance of the types and in at least the minimum amounts described in subsections (a), (b), and (c) above (except that each subcontractor shall only be required to maintain $1,000,000 in commercial general liability insurance as required in Section 3.5(b) unless the subcontractor cusotomarily maintains the higher limits set forth herein) and shall require that such insurance shall meet all of the general requirements of subsections (g), (h), and (i) below.

(g) The required insurance shall be provided under an occurrence form, and the Developer shall maintain such coverage continuously throughout the Term. Should any

of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be two times the occurrence limits specified above; provided, however, that for subcontractors the general aggregate shall not be required to apply on a per project basis.

(h) Commercial General Liability and Comprehensive Automobile Liability insurance policies shall be endorsed to name as an additional insured the City, the Agency, and their officers, agents, employees and members of the City Council and Agency Board.

(i) All policies and bonds shall contain (a) the agreement of the insurer to give the Agency at least thirty (30) days' notice prior to cancellation (including, without limitation, for non payment of premium) or any material change in said policies; (b) an agreement that such policies are primary and non contributing with any insurance that may be carried by the Agency; (c) a provision that no act or omission of the Developer shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (d) a waiver by the insurer of all rights of subrogation against the Agency and its authorized parties in connection with any loss or damage thereby insured against.

(j) If in connection with the use of the Agency Loan funds, death, serious personal injury, or substantial property damage occurs, Developer shall immediately notify the Agency. Developer shall promptly submit to the Agency a written report, in such form as may be required by the Agency, of all accidents which occur in connection with this Agreement. This report shall include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of Developer's contractor or subcontractor, if any; (3) name and address of Developer's liability insurance carrier; and (4) a detailed description of the accident and whether any of the Agency's equipment, tools or material were involved.

EXHIBIT G
HUD-REQUIRED PROVISIONS RIDER

_____ AGENCY DOCUMENTS
FOR _____ SENIOR HOUSING
HUD Project No. _____

This HUD-Required Provisions Rider (the "Rider") is dated as of _____, 200_, and is attached to and made a part of that Loan Agreement between _____(the "Borrower") and the City of _____ (the "Agency") (the "Agency Loan Agreement") dated _____, 200_, the Promissory Note from Borrower to Agency (the "Agency Note") dated as of _____, 200_, that certain Deed of Trust by Borrower to Agency (the "Agency Deed of Trust") dated as of _____, 200_, and the Regulatory Agreement and Declaration of Restrictive Covenants by Borrower, and the Agency (the "Agency Regulatory Agreement") (collectively, the "Agency Documents") to which this Rider is attached as an Addendum or Exhibit thereto, and which is included as the "Agency Documents," relating to the property commonly known as _____ Senior Housing (the "Development") in _____, California. In the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Agency Documents, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meaning given to such terms the Agency Documents. As used in this Rider, the term "HUD Documents" shall mean the following documents relating to the HUD Section 202 Capital Advance for the Development, HUD Project No. _____.

A. Deed of Trust With Assignment of Rents on the Property from Borrower to HUD and recorded against the Property (the "HUD Deed of Trust");

B. Capital Advance Program Regulatory Agreement between Borrower and HUD and recorded against the Property ("HUD Regulatory Agreement");

C. Capital Advance Program Use Agreement between Borrower and HUD recorded against the Property (the "HUD Use Agreement";

D. HUD Security Agreement between Borrower and HUD (the "HUD Security Agreement");

E. UCC Financing Statement between Borrower, as Debtor, and HUD, as Secured Party, filed with the California Secretary of State (the "UCC Financing Statement");

F. HUD Project Rental Assistance Contract (the "PRAC"); and

G. Other HUD Capital Advance documents.

1. Term of Rider. Notwithstanding anything else in this Rider to the contrary, the provisions of this Rider shall be and remain in effect only so long as the HUD Documents, or any of them, are in effect; thereafter, this Rider and its requirements shall be deemed no longer in effect.

2. Subordination. The covenants contained in the Agency Documents shall be subordinate to the rights of HUD under the HUD Documents, and to the HUD rules and regulations pertaining thereto; and furthermore, the Agency Documents shall not be enforceable against the HUD Secretary, his or her successors and assigns, should the HUD Secretary acquire title to the Property by power of sale, foreclosure, or by deed in lieu of foreclosure. In addition, so long as the HUD Documents are in effect, in the event that there are any conflicts between the terms and conditions in the Agency Documents and the terms and conditions of the HUD Documents and HUD rules and regulations pertaining thereto, the HUD documents and HUD rules and regulations shall prevail. No default may be declared under the Agency Documents without HUD prior written consent.

3. HUD Rules. During the time period in which Section 202 or the PRAC regulations apply to the development, rents approved by HUD pursuant to the Section 202 program and the PRAC shall be deemed to be in compliance with the Agency Regulatory Agreement and Agency Loan Agreement, and compliance by the Developer with the Section 202 Regulations and the PRAC with respect to continued occupancy by households whose incomes exceed the eligible income limitations set forth in the Agency Regulatory Agreement, or other matters set forth in the Agency Regulatory Agreement, shall be deemed to be compliance with the requirements of the Agency Documents. Nothing in the Agency Documents shall in any way limit, interfere or conflict with the rights of HUD with respect to development, operation and management of the Development; nor can the Agency Documents in any way jeopardize the continued operation of the project in terms at lease as favorable to existing as well as future terms.

4. Agency Loan Disbursement. Upon continued satisfaction of the conditions precedent to loan disbursement set forth in the Agency Loan Agreement, the Agency shall disburse the Agency Loan proceeds to Borrower from time to time following approval by the Agency and HUD of Borrower's requisitions in accordance with the HUD Documents. HUD approval of a requisition shall be deemed Agency approval, provided that the requisition conforms to the use of Agency funds shown in the Financing Plan approved by the Agency and is an eligible use of Agency funds under applicable Agency regulations. The Agency agrees that the uses of Agency funds shown in the Budget are eligible uses. Requisitions not requiring HUD approval shall be submitted only to the Agency for approval and disbursement pursuant to the Agency Loan Agreement.

5. Residual Receipts. Any whole or partial repayment of the principal and any other payments as set forth in the Agency Documents shall be made only from Residual Receipts (as defined in the HUD Documents), and then only after obtaining the prior written approval of HUD, or from the Borrower's own funds.

6. Indemnification. Enforcement by the Agency of any indemnification provisions in the Agency Documents will not and shall not result in any monetary claim against the Development, the HUD Capital Advance proceeds, any reserve or deposit required by HUD in connection with the HUD Capital Advance, or the rents or other income from the Development other than residual receipts authorized for release by HUD, without the prior written consent of HUD, but Agency shall have the right to add any amounts due the Agency pursuant to indemnification provisions in the Agency Documents to the principal amount of the Loan and the Note and interest shall accrue thereon commencing on the date indemnification payments are due.

7. Transfer. Approval by HUD of a Transfer of Physical Assets (as defined in Handbook 4350.1 Rev-1) ("TPA") shall constitute approval of the transfer by the Agency and the Borrower shall deliver to the Agency, at the same time as its delivery to HUD, any application for HUD's approval of a proposed transfer. Also, the Borrower shall require the transferee to expressly assume the Borrower's obligations under the Agency Documents; provided, however, HUD shall not be required to enforce the requirements of this sentence and if Borrower and any transferee fail to include such assumption in transfer documents, such failure shall not affect the validity of the transfer. The Agency shall have the right to specifically enforce the requirement that any transferee assume the Borrower's obligations under the Agency Documents. In the absence of such written assumption, no transfer shall be deemed to relieve the transferor from any obligations under the Agency Documents.

8. Default under Agency Documents. The Agency shall not declare a default under the Agency Documents unless it has received the prior written approval of HUD, and the Agency's right to accelerate the Agency Note during the term of the HUD Documents shall be enforceable only with the prior written approval of HUD.

9. Receiver. The Agency, for itself, its successors and assigns further covenants and agrees that in the event of the appointment of a receiver in any action by the Agency, its successors or assigns, to foreclose the Agency Deed of Trust, no rents, revenue or other income of the Development collected by the receiver or by the mortgagee-in-possession shall be utilized for the payment of interest, principal, or any other charges due and payable under the Agency Deed of Trust, except from Residual Receipts, if any, as the term is defined in the HUD Regulatory Agreement. The appointment of a receiver shall require approval by the Secretary of HUD, and pursuant to HUD regulations, as long as the Agency is the beneficiary under the Agency Deed of Trust, the Agency cannot be mortgagee-in-possession. In the event of the appointment, by any court, of any person, other than HUD or the Agency, as a receiver or a mortgagee or party in possession, or in the event of any enforcement of any assignment of leases, rents, issues, profits, or contracts contained in the Agency Documents, with or without court action, no rents, revenue or other income of the Development collected by the receiver, person in possession or person pursuing enforcement as aforesaid, shall be utilized for the payment of interest, principal or any other amount due and payable under the provisions of the Agency Documents, except from Residual Receipts in accordance with the HUD Regulatory Agreement. The receiver, person in possession or person pursuing

enforcement shall operate the Development in accordance with all provisions of the HUD Documents.

10. Amendment. No amendment to the Agency Documents made after the date of this Rider shall have any force or affect until and unless such amendment is approved in writing by HUD.

IN WITNESS WHEREOF, the Borrower and the Agency have executed this Rider as follows:

[insert signature blocks for Agency and Borrower]

Exhibit H

ASSIGNMENT OF AGREEMENTS, PLANS AND SPECIFICATIONS, AND APPROVALS

EDEN HOUSING, INC.

FOR VALUE RECEIVED, the undersigned, Eden Housing, Inc., a California limited partnership (the "Developer"), hereby assigns and transfers to the Redevelopment Agency of the City of Lafayette, a public body corporate (the "Agency"), all of its right, title and interest in and to:

(1) All consulting, architectural, design, engineering, and construction contracts and development agreements, and any and all amendments, modifications, supplements, addenda and general conditions thereto (collectively "Agreements"), heretofore or hereafter entered into by and Contractor (as defined below);

(2) All studies and analyses, surveys, plans and specifications, shop drawings, working drawings, amendments, modifications, changes, supplements, general conditions and addenda thereto (collectively "Studies, Plans, and Specifications") heretofore or hereafter prepared by any Contractor (as defined below); and

(3) All land use approvals, building permits, and other governmental approvals of any nature obtained for the Development (collectively, the "Land Use Approvals").

This Assignment is made pursuant to the terms of the Loan Agreement, dated as of _____, 2008 entered into between the Developer and the Agency (the "Loan Agreement"). Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Loan Agreement. The Property with respect to which the Agency has made the Loan to the Developer under the Loan Agreement is described in Recital C of the Loan Agreement.

For purposes of this Assignment, the term "Contractor" means any consultant, architect, construction contractor, engineer or other person or entity entering into Agreements with the Developer and/or preparing Studies, Plans and Specifications for the Developer with respect to the Development.

The Developer hereby irrevocably appoints the Agency as its attorney-in-fact (which agency is coupled with an interest) to, upon the occurrence of a Default by Developer (after notice and opportunity to cure) or an event which, with notice or the passage of time or both would constitute a Default (after notice or opportunity to cure) under and as defined in Section 5.1 of the Loan Agreement, demand, receive, and enforce any and all of the Developer's rights with respect to the Studies, Plans and Specifications, Agreements and Land Use Approvals, and perform any and all acts in the name of the Developer or in the name of the Agency with the same force and effect as if performed by the Developer or in the name of the Agency with the same force and effect as if performed by the Developer in the absence of this Assignment.

The Developer represents and warrants to the Agency that no previous assignment(s) of its rights or interest in or to the Studies, Plans and Specification Agreements, and/or Land Use Approvals,

has or have been made, and the Developer agrees not to assign, sell, pledge, transfer, mortgage, or hypothecate its rights or interests therein (without prior written approval of the Agency Executive Director) so long as the Agency holds or retains any security interest under the Loan Agreement.

This Agreement is made to secure: (1) payment to Agency of all sums now or hereafter owing under the Note dated as of the date hereof made by the Developer to the order of the Agency, and any and all additional advances, modifications, extensions, renewals and amendments thereof; and (2) payment and performance by the Developer of all its obligations under the Loan Agreement.

This Assignment shall be governed by the laws of the State of California, except to the extent that Federal laws preempt the laws of the State of California, and the Developer consents to the jurisdiction of any Federal or State Court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action shall be entitled, in addition to any other recovery, to reasonable attorneys' fees and costs.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of the Developer and the Agency; provided, however, this shall not be construed and is not intended to waive the restriction on assignment, sale, transfer, mortgage, pledge, hypothecation or encumbrance by the Developer contained in the Loan Agreement.

Executed by the Developer on _____, 2008

DEVELOPER

EDEN HOUSING, INC.

By: _____

Name: _____

Its: _____

ARCHITECT'S/ENGINEER'S CONSENT

The undersigned architect and/or engineer (collectively referred to as "Architect") hereby consents to the foregoing Assignment of Agreements, Plans and Specifications, and Approvals ("Assignment"), of which this Architect's/Engineer's Consent ("Consent") is a part, and acknowledges that there presently exists no unpaid claims presently due to the Architect except as disclosed to the Agency arising out of the preparation and delivery of the Plans and Specification to the Developer and/or the performance of the Architect's obligations under the Agreements, as the term "Agreements" is defined in the Assignment.

Architect agrees that if, at any time, the Agency shall become the owner of said Property, or pursuant to its rights under the Loan Agreement, elects to undertake or cause the completion of construction of the Development on any of the Property, in accordance with the Plans and Specifications, and gives the Architect written notice of such election; then so long as the Architect has received, receives or continues to receive the compensations called for under the architectural Agreements, the Agency may, at its option, use and rely on the Plans and Specifications for the purposes for which they were prepared, and Architect will continue to perform its obligations under the architectural Agreements for the benefit of the account of the Agency in the same manner as if performed for the benefit or account of the Developer in the absence of this Assignment.

The Architect shall agree to this assignment so long as the Agency agrees to all rights and responsibilities of the Owner/Architect Agreement and perform all duties of the owner per the Owner/Architect agreement. Neither the Architect nor Agency shall transfer the assignment without the prior written approval or consent of the other party.

Architect further agrees that, in the event of a breach by the Developer of the Agreements, or any agreement entered into with Architect in connection with the Plans and Specifications, so long as the Developer's interest in the architectural Agreements and Plans and Specifications is assigned to the Agency, Architect will give written notice to the Agency at the address shown below of such breach. The Agency shall have thirty (30) days from the receipt of such written notice of Default to remedy or cure said Default; provided, however, nothing herein shall require the Agency to cure said Default or to undertake completion of construction of the improvements.

Architect warrants and represents that it/he/she has no knowledge of any prior assignment(s) of any interest in either the Plans and Specifications and/or the architectural Agreements. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment or the Loan Agreement, as applicable.

Executed by the Architect on _____, 2008.

Address of Agency:

Redevelopment Agency of the City of
Lafayette
City of Lafayette

Address of Architect:

3675 Mt. Diablo Blvd., Ste. 210
Lafayette, CA 94549
Attn: Executive Director

Architect: _____

By: _____

Its: _____